

**GENTILLY SENIOR CENTER, INC.**  
**FINANCIAL STATEMENTS**  
**AND**  
**REPORT OF INDEPENDENT**  
**CERTIFIED PUBLIC ACCOUNTANT**

**June 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **NOV 30 2011**

**GENTILLY SENIOR CENTER, INC.**

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# Justin J. Scanlan, C.P.A., F.T.C.

A LIMITED LIABILITY COMPANY

4769 ST. ROCH AVE.

NEW ORLEANS, LOUISIANA 70122

TELEPHONE: (504) 288-0050

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Gentilly Senior Center, Inc.

We have audited the accompanying statement of financial position of Gentilly Senior Center, Inc. (a non-profit corporation) as of June 30, 2011 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Gentilly Senior Center, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the corporation's 2010 financial statements and, in our report dated November 16, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gentilly Senior Center, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated September 15, 2011, on our consideration of Gentilly Senior Center, Inc.'s internal control structure over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the examination of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Justin J. Scanlan, CPA, LLC*

New Orleans, Louisiana  
September 15, 2011

**GENTILLY SENIOR CENTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**

**June 30, 2011**

**ASSETS**

		<b>TOTAL MEMORANDUM ONLY <u>June 30, 2010</u></b>
Cash	\$ 2,050	\$ 2,108
Grant receivable (Notes A4 and B)	6,000	27,000
Prepaid expenses	<u>-</u>	<u>68</u>
Total assets	<u>\$ 8,050</u>	<u>\$ 29,176</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued liabilities	\$ 6,325	\$ 27,141
Total liabilities	<u>6,325</u>	<u>27,141</u>
Commitment (Note C)	-	-
Net assets - unrestricted	<u>1,725</u>	<u>2,035</u>
Total net assets	<u>1,725</u>	<u>2,035</u>
Total liabilities and net assets	<u>\$ 8,050</u>	<u>\$ 29,176</u>

The accompanying notes are an integral part of this financial statement.

**GENTILLY SENIOR CENTER, INC.**

**STATEMENT OF ACTIVITIES**

**For the year ended June 30, 2011**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>TOTAL MEMORANDUM ONLY For the year ended June 30, 2010</u>
<b>REVENUES</b>				
Grant appropriations	\$ -	\$ 182,378	\$ 182,378	\$ 130,376
Other income	1,800	-	1,800	1,925
Net assets released from restrictions	<u>182,378</u>	<u>&lt; 182,378 &gt;</u>	<u>-</u>	<u>-</u>
Total revenues	<u>184,178</u>	<u>-</u>	<u>184,178</u>	<u>132,301</u>
<b>EXPENSES</b>				
Salaries	104,500	-	104,500	54,570
Fringe benefits	9,320	-	9,320	5,702
Insurance	4,187	-	4,187	4,263
Occupancy	21,396	-	21,396	30,404
Professional services	17,050	-	17,050	11,200
Contract services	16,997	-	16,997	18,685
Program activities	2,318	-	2,318	-
Supplies	1,978	-	1,978	1,861
Postage	154	-	154	229
Telephone	1,944	-	1,944	1,055
Equipment	887	-	887	453
Other	<u>3,757</u>	<u>-</u>	<u>3,757</u>	<u>2,706</u>
Total expenses	<u>184,488</u>	<u>-</u>	<u>184,488</u>	<u>131,128</u>
Increase <decrease> in net assets	< 310 >	-	< 310 >	1,173
Return of prior year funds to funding source	-	-	-	< 162 >
Net assets, beginning of year	<u>2,035</u>	<u>-</u>	<u>2,035</u>	<u>1,024</u>
Net assets, end of year	<u>\$ 1,725</u>	<u>\$ -</u>	<u>\$ 1,725</u>	<u>\$ 2,035</u>

The accompanying notes are an integral part of this financial statement.

**GENTILLY SENIOR CENTER, INC.**

**STATEMENT OF CASH FLOWS**

**For the year ended June 30, 2011**

Increase <decrease> in cash and cash equivalents

Cash flows from operating activities:

Decrease in net assets \$ < 310>

Adjustments to reconcile decrease in net assets  
to net cash used in operating activities:

Changes in assets and liabilities:

Decrease in grant receivable 21,000

Decrease in prepaid expenses 68

Decrease in accounts payable and accrued liabilities < 20,816> 252

Net cash used in operating activities < 58>

Net decrease in cash and cash equivalents < 58>

Cash and cash equivalents, beginning of year 2,108

Cash and cash equivalents, end of year \$ 2,050

The accompanying notes are an integral part of this financial statement.

**GENTILLY SENIOR CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2011**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**1. Nature of Activities**

Gentilly Senior Center, Inc. was organized to promote and effectuate the planning and delivery of community services and social services programs within various communities in the Parish of Orleans, and to mobilize such human financial resources as may be available to correct the social-economic deprivations affecting the area.

**2. Financial Statement Presentation**

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958. Accordingly, the net assets of the corporation are reclassified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

**Unrestricted Net Assets** – Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Project and/or the passage of time.

**Permanently Restricted Net Assets** – Net assets subject to donor-imposed stipulations that the Project maintains them permanently. Generally, the donors of these assets permit the Project to use or part of the income earned on related investments for general or specific purposes. There were no permanently restricted net assets.

**3. Revenue Recognition**

For financial reporting, the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions".

Grant revenue is recognized as it is earned in accordance with approved contracts.

**4. Receivables**

The corporation considers accounts receivable to be fully collectible since the balance consists primarily of payments due under government contracts. If amounts due become uncollectible, they will be charged to operations when the determination is made.



**GENTILLY SENIOR CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2011**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**5. Property and Equipment**

Gentilly Senior Center, Inc. records property acquisitions at cost. Donated assets are recorded at estimated value at date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. There was no depreciation expense for the year ended June 30, 2011.

It is the policy of the corporation to capitalize all property, and equipment with an acquisition cost in excess of \$1,000.

**6. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**7. Cash Equivalents**

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

**8. Fair Values of Financial Investments**

Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those investments.

**9. Functional Allocation of Expenses**

The expenses of providing programs and other activities have been summarized on a functional basis in Note H to the financial statements. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

**10. Subsequent Events**

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (September 15, 2011).

**GENTILLY SENIOR CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2011**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**11. Memorandum Only – Total Columns**

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**NOTE B – GRANT RECEIVABLE**

Grant receivable at June 30, 2011 consists of the following:

New Orleans Council on Aging, Inc.	<u>\$ 6,000</u>
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**NOTE C - COMMITMENT**

The Corporation leases property under a one year operating lease expiring June 30, 2011. The rental expense for the year ended June 30, 2011 totaled \$18,000.

**NOTE D - INCOME TAXES**

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

**NOTE E – GRANT APPROPRIATIONS**

Grant appropriations for the year ended June 30, 2011 are as follows:

	<u>Governmental</u>	<u>Other</u>	<u>Total</u>
New Orleans Council on Aging:			
Senior Center Program – GOEA	\$ 53,378	\$ -	\$ 53,378
FY2011 PCOA Line Item Contract	50,000	-	50,000
City of New Orleans	56,000	-	56,000
Entergy	-	23,000	23,000
	<u>\$ 159,378</u>	<u>\$ 23,000</u>	<u>\$ 182,378</u>

**NOTE F - BOARD OF DIRECTORS' COMPENSATION**

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

**NOTE G – RELATED PARTY**

A relative of the executive director performed janitorial and maintenance services for the year ended June 30, 2011. These services totaled \$7,200.

**GENTILLY SENIOR CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2011**

**NOTE H – FUNCTIONAL EXPENSES**

Functional expenses for the year ended June 30, 2011, are as follows:

<b>Program Services</b>	
Senior Center Program	\$ 149,545
<b>Supportive Services</b>	
Management and general	<u>34,943</u>
	<u>\$ 184,488</u>

**NOTE I – FAIR VALUES OF FINANCIAL INSTRUMENTS**

Statement of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in the FASB ASC 820-10 requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

<u>Fair Value Measurement of Reporting Date</u>				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalent	\$ 2,050	\$ 2,050	\$ -	\$ -
Receivables	6,000	6,000	-	-
Accounts payable and accrued liabilities	<u>&lt; 6,325 &gt;</u>	<u>&lt; 6,325 &gt;</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,725</u>	<u>\$ 1,725</u>	<u>\$ -</u>	<u>\$ -</u>

The assumptions to estimate fair values are as follows:

1. Cash and cash receivables carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.
2. Receivables and accounts payable and accrued liabilities are carried at amounts that approximate fair value due to their short-term nature and generally negligible credit risk.

**GENTILLY SENIOR CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2011**

**NOTE J – ECONOMIC DEPENDENCY**

Gentilly Senior Center, Inc. received the majority of its revenue from funds provided through grants administered by the New Orleans Council on Aging, Inc. The grant amounts are awarded each year by the state government. If significant budget cuts are made at the state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations.

The corporation's support through government grants totaled 87% for the year ended June 30, 2011.

## **SUPPLEMENTAL INFORMATION**

**GENTILLY SENIOR CENTER, INC.**  
**COMBINED STATEMENT OF ACTIVITIES**

For the year ended June 30, 2011

	<u>Senior Center Program</u>	<u>General</u>	<u>Total</u>
<b>REVENUES</b>			
Grant appropriations	\$ 182,378	\$ -	\$ 182,378
Other income	<u>-</u>	<u>1,800</u>	<u>1,800</u>
Total revenues	<u>182,378</u>	<u>1,800</u>	<u>184,178</u>
<b>EXPENSES</b>			
Salaries	104,500	-	104,500
Fringe benefits	9,320	-	9,320
Insurance	4,187	-	4,187
Occupancy	21,396	-	21,396
Professional services	17,050	-	17,050
Contract services	16,997	-	16,997
Program services	2,318	-	2,318
Supplies	1,978	-	1,978
Postage	154	-	154
Telephone	1,944	-	1,944
Equipment expense	887	-	887
Other	<u>1,647</u>	<u>2,110</u>	<u>3,757</u>
Total expenses	<u>182,378</u>	<u>2,110</u>	<u>184,488</u>
Increase <decrease> net assets	-	< 310>	< 310>
Net assets, beginning of year	<u>-</u>	<u>2,035</u>	<u>2,035</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 1,725</u>	<u>\$ 1,725</u>

# Justin J. Scanlan, C.P.A., LLC

A LIMITED LIABILITY COMPANY

4769 ST. ROCH AVE.

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### Independent Auditor's Report

Board of Directors  
Gentilly Senior Center, Inc.

We have audited the financial statements of Gentilly Senior Center, Inc. (a non-profit corporation) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Gentilly Senior Center, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gentilly Senior Center, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gentilly Senior Center, Inc.'s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. The significant deficiency is identified as item 2011-1. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gentilly Senior Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Gentilly Senior Center, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Gentilly Senior Center, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Louisiana Legislative Auditor, others within the organization and funding sources of the corporation and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Justin J. Scanlan, CPA, LLC*

New Orleans, Louisiana  
September 15, 2011



**GENTILLY SENIOR CENTER, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES**

**For the year ended June 30, 2011**

**A. SIGNIFICANT DEFICIENCY**

**2011-1 Segregation of Duties**

**Condition:** Due to the size of the administrative staff, the organization is too small to effect a meaningful segregation of duties. All authorizations and approval of cash disbursements are performed by the Executive Director and all accounting functions are primarily performed by the program coordinator.

**Criteria:** The accounting functions should be performed by a few individuals to assure proper segregation of duties.

**Effect:** The organization is unable to assure that its assets are properly safeguarded.

**Recommendation:** We recommend the Board of Directors continue its significant involvement in the financial affairs of the corporation through review of monthly financial reports and periodic review of the corporation's day to day financial activities.

**Response:** See Corrective Action Plan.

**B. STATUS OF PRIOR YEAR AUDIT FINDINGS**

The prior year audit findings consist of the following:

<u>Significant Deficiencies</u>	<u>Resolved</u>	<u>Unresolved</u>	<u>Current Finding No.</u>
2010-1. Segregation of Duties		X	2011-1



**Gentilly Senior Center, Inc.**

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GERALYN LABBE  
Executive Director

September 27, 2011

Justin L. Scanlan, CPA, LLC  
4769 St. Roch Avenue  
New Orleans, LA 70122

In response to the recent Audit Findings:

1.2011-1 Segregation of Duties

It is the intent of Management to keep our Board of Directors apprised of the corporation's financial condition at quarterly board meetings. The Board will be advised that financial information is available on a monthly basis for any member to review.

If you need further information, please do not hesitate to contact us.

Sincerely,

Geralyn Labbe, LMSW  
Executive Director